

**Senate File 2325 - Introduced**

SENATE FILE 2325

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3168)

**A BILL FOR**

1 An Act amending the sales and use tax exemption for the  
2 sale of goods and services furnished in fulfillment of a  
3 written construction contract with a nonprofit hospital,  
4 and including effective date and retroactive applicability  
5 provisions.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, subsection 29, Code 2016, is  
2 amended to read as follows:

3 29. The sales price of all goods, wares, or merchandise  
4 sold, or of services furnished, which are used in the  
5 fulfillment of a written construction contract with a nonprofit  
6 hospital licensed pursuant to [chapter 135B](#) if all of the  
7 following apply:

8 a. The sales and delivery of the goods, wares, or  
9 merchandise, or the services furnished, occurred between July  
10 January 1, ~~1998~~ 2014, and December 31, ~~2001~~ 2017.

11 b. The written construction contract was entered into on or  
12 after January 1, 2014, but prior to December 31, ~~1999~~ 2016, or  
13 bonds to fund the construction were issued on or after July 1,  
14 2014, but prior to December 31, ~~1999~~ 2016.

15 c. The sales or services were purchased directly by a  
16 contractor, or by a contractor as the agent for the hospital,  
17 or were purchased directly by the hospital.

18 d. The hospital is located in a county that borders Illinois  
19 and has a population of at least one hundred fifty thousand  
20 according to the 2010 certified federal census.

21 Sec. 2. REFUND AND CREDIT FOR AMOUNTS PREVIOUSLY PAID.

22 1. Notwithstanding any other provision of law to the  
23 contrary, refunds of taxes, interest, or penalties that arise  
24 from claims resulting from the enactment of this Act, for sales  
25 occurring between January 1, 2014, and the effective date  
26 of this Act, shall not be allowed, but such claims shall be  
27 allowed as a credit as provided in subsection 2.

28 2. Beginning July 1, 2017, any amount of taxes, interest, or  
29 penalties previously paid for sales occurring between January  
30 1, 2014, and the effective date of this Act, and for which  
31 a claim of exemption arises from the enactment of this Act,  
32 shall be allowed as a credit to the taxpayer against sales and  
33 use tax due and payable by such taxpayer on or after July 1,  
34 2017, and may be claimed by the taxpayer until such credit is  
35 depleted.



1 imposition of the sales tax is also exempt from the use tax  
2 imposed in Code section 423.5.

3     The bill prohibits refunds of taxes, interest, or penalties  
4 arising from claims resulting from enactment of the bill for  
5 sales occurring between January 1, 2014, and the effective  
6 date of the bill, but does allow such amounts to be claimed  
7 as a credit against sales and use tax due and payable by the  
8 taxpayer on or after July 1, 2017. The sales and use tax credit  
9 may be claimed beginning July 1, 2017, and may be claimed until  
10 the credit is depleted.

11     The bill takes effect upon enactment and applies  
12 retroactively to January 1, 2014, to sales of goods and  
13 services on or after that date.